United Nations E/CN.3/2004/7

Economic and Social Council

Distr.: General
17 December 2003

Original: English

Statistical Commission
Thirty-fifth session
2-5 March 2004
Item 3 (f) of the provisional agenda*
Demographic and social statistics. Paris Group on labour and compensation

Report of the Paris Group on Labour and Compensation

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-fourth session,** the Secretary-General has the honour to transmit the report of the Paris Group on Labour and Compensation (secretariat, United Kingdom). Points for discussion by the Commission are contained in section IV.

* E/CN.3/2004/1.

** See *Official Records of the Economic and Social Council, 2003, Supplement No. 4* (E/2003/24), chap. I.A.

03-66364 (E) 050104

Report of the Paris Group on Labour and Compensation

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1. The present report summarizes the activities of the Paris Group on Labour and Compensation during 2003 on the measurement of "working time". A two-day meeting — the fifth session of the Paris Group — was held in London on 4 and 5 September 2003 to explore current issues and need for further work on working time measurement.[1] A report from the meeting summarizing its discussions and recommendations was submitted to the seventeenth International Conference of Labour Statisticians (ICLS) in November/December 2003. Further work on this topic by the Paris Group is planned to assist the International Labour Organization (ILO) in the development of a resolution on working time for the next ICLS meeting in 2008.

I. Fifth session

2. The Paris Group met in London in September 2003 to discuss the measurement of working time. The discussions were organized around three areas:

- Working time arrangements
- Measurement of hours worked
- Use of hours worked statistics in "derived products", such as productivity.

3. The issues covered for each of these areas included user needs, measurement issues, required cross-classifications of data, reconciliation and confrontation of related statistics, and proposals and recommendations for improvement. The final session focused on topics for future work.

II. Summary of discussion

4. The Paris Group highlighted the widespread use of statistics on working time to understand the nature, quality and volume of employment. Recent changes in both the supply of and demand for labour have led to an increase in non-standard working arrangements and a more complex work environment. As a result, further work is needed to enhance existing international standards and develop new standards and definitions in emerging areas, which must be based on a sound conceptual basis. There is also a need to identify best practice in methodology to collect and analyse data.

Working time arrangements

5. Rather than propose an exhaustive typology to cover the myriad of working time arrangements in operation, the Paris Group believes that the following dimensions would be sufficient to describe and measure working time:

- Number of hours actually worked in a week, month, year
- Stability/flexibility of these hours worked from week to week
- Schedule of hours worked across the day, week and year
- Location where work is undertaken.

Working time measurement

6. The main issues for the evolution of standards on number of hours worked are:

- Deciding which activities should be included or excluded from the measures (e.g., travel, training, unpaid hours)
- Determining the basis of working time measurement appropriate for different uses of data (e.g., hours actually worked, contracted hours, paid hours)
- Deciding whether the concept is job-related or individual-related.

Annual hours of work

7. The Paris Group recognizes the need for accurate measures of annual hours of work (e.g., for the measurement of productivity). Those measures should show both levels and trends.

Measurement issues

8. The Paris Group draws a clear distinction between developing international standards for a target measure, e.g., hours actually worked, and the practical problems of measurement. For measures such as hours worked there is a preference for direct rather than adjusted measures. Dealing with the measurement issues will involve outlining the strengths and weaknesses of different measurement sources of data and identifying best practice to maximize the quality of the data collected for an intended use.

Future areas of work for the Paris Group

9. There is a broad consensus on the need to undertake more focused work on working time statistics in conjunction with the ILO, following the seventeenth ICLS. Other topics suggested by a number of countries include:

- Experience in dealing with data from different sources
- Problems related to the ageing workforce.

III. Recommendations to the seventeenth ICLS and Conference outcome

10. Following its September 2003 meeting, the Paris Group submitted the recommendations for change described below to the seventeenth ICLS in November/December 2003.

Hours worked

11. Standards (definitions, recommended methods of data collection and analysis, presentation of appropriate metadata) should be developed in relation to hours worked in a short reference period (day, week, month), including actual hours, usual hours and overtime. The concepts of paid hours, hours worked and contracted hours would need to be explained in the context of their use to derive measures of actual and usual hours.

12. Standards should be developed for estimating total hours worked for a long reference period — particularly annual hours worked — for different purposes (such as for productivity calculations or labour cost indices).

Measurement of other working-time concepts

13. The possibility should be explored of creating a conceptual framework to encompass working time arrangements within the context of working time statistics generally. Such a set of organizing principles would aim to:

- Provide a structure to consider different types or examples of working time arrangements, especially new forms as they emerge
- Inform the planning of work on collecting data about hours worked
- Improve international comparability and coherence between data sources
- Help the prioritization of ongoing conceptual and statistical work.

14. Any such framework would have the following elements:

- Identification of components of working time arrangements, distinguishing between (a) duration, stability/flexibility, scheduling, location; (b) clarifying the interrelationships between different types of working time arrangements, e.g., shift work at weekends; (c) addressing demand/supply side issues; (d) legal elements; (e) policy elements
- Identification of the key stakeholders (producers and users), and their interests
- Exploration of the links between working time arrangements and other related frameworks (e.g. System of National Accounts, 1993 and statistical domains, including the economic domain (labour inputs) and social life (well-being, work life balance))
- Identification of the main data sources of the different elements of working time arrangements, and of best practice in collecting and analysing such data.

15. A review should be conducted of the usefulness of the concepts of full- and part-time for describing labour market activity, including exploring whether it might not be more valuable to present data on employment by usual hours worked.

Outcome of the seventeenth ICLS conference

16. ICLS has agreed to advance the issue of working time statistics for the eighteenth conference to be held in 2008. A new resolution will be developed for consideration by the conference, following an ILO expert meeting. The Paris Group will continue its involvement in the evolution of international standards in this area, and the outcomes of a meeting tentatively scheduled for 2004 on working time measurement will be specifically tailored to provide the required input to the ILO expert meeting. The Paris Group will also take specific steps to ensure developing country representation at the 2004 meeting.

IV. Points for discussion

17. **Comments and guidance from the Commission are sought in relation to:**

- **The coverage of future development of working time statistics**
- **Identification of issues not covered above or in the full report**[1]
- **Future areas of work for the Paris Group.**

Notes

[1] The full report of the fifth session will be made available to the Commission as a background document.